GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:779
ANSWERED ON:23.11.2000
SURPLUS MONEY GENERATED ON ACCOUNT OF FALL IN PRICES OF OIL
MINATI SEN

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government had generated huge surplus money during 1999 due to not lowering the prices of petroleum products in the domestic market;

(b) if so, whether the said fund is proposed to be used to afford subsidy at the time of further rise in the prices of petroleum products in the country;

(c) if not, the purpose for which that surplus is likely to be spent;

(d) whether the Government had enhanced the prices of petroleum products during the said period and diverted the surplus amount to other head; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): The surplus money generated due to low international prices during the financial year 1998-99 was used to repay the Special Government Bonds issued by RBI on behalf of Government of India to take care of the outstandings of oil companies.

(c): With a view to contain the deficit in the Oil Pool Account and to enable the Oil Companies to maintain uninterrupted supplies of petroleum products in the country, the Government came out with a comprehensive package on September, 1997 to end the oil pool deficit.

Under the above comprehensive package, `10.5% Oil Companies (Non Transferable) Special Government Bonds 2005` totaling to Rs.12,984crores were issued by the

Government to the Oil Companies effective 02.03.98.

Out of the total bonds of Rs.12,984 crores, bonds to the extent of Rs.12,599 crores have already been redeemed. In addition, interest to the extent of around Rs.500 crores is payable to Government of India by OCC as on 31.3.2000.

(d) to (e): From 1982-83 onwards, when the oil pool account started generating surpluses, deposits were made into Public Accounts of India. The balance of such deposit as on 31.3.2000 was Rs.4,429 crores. The deposits of OCC in Public Accounts are non-interest bearing. The amount is still receivable and forms part of `Other liabilities` of Government of India.Ministry of Finance has been requested by OCC to withdraw this amount. No final decision has been taken as yet.

(b) to (e): Does not arise in view of (a) above.